

ANNUAL EVALUATION OF CENTURYLINK'S PROMOTIONAL PROGRAM

The CenturyLink Adoption Program, branded *Internet Basics*, was launched in October 2011. CenturyLink has now completed its fifth year with the program, which has evolved into a targeted program that has incorporated and benefitted from the lessons learned throughout the life of the program.

CenturyLink's earlier semi-annual reports described the variety of tactics used to meet the Adoption Program's objectives of customer education, promotion and customer training regarding the availability and uses of broadband. These tactics have included direct mail campaigns, newspaper advertisements, press releases, distribution of flyers, training classes, close collaboration with local partner organizations, and promotion through CenturyLink's website. This report describes the tactics that have been employed over the past twelve months. As required in the *Merger Order*, this report also evaluates the effectiveness of the Adoption Program, in consultation with an independent researcher, Gillis Associates.

As now implemented, CenturyLink's Adoption Program employs a targeted focus on promoting an Internet program that reaches a broad section of consumers across its service area. During the life of the program, CenturyLink has contacted over 1,100 local community organizations to hold events or distribute educational materials regarding the benefits of broadband service; engaged in extensive promotion of the program through advertisements, press releases, and flyers, utilized a robust direct mail campaign, provided extensive telemarketing and website information; and held over 149 in-person customer training sessions in 36 states, with nearly 3,000 participants. As a result of the program, nearly 98,000 low-income customers have subscribed to CenturyLink's discounted broadband service,¹ and over 3,600 have been able to purchase discounted computer equipment.

As anticipated in the *Merger Order*, CenturyLink's Adoption Program incorporates an iterative process. CenturyLink is continually evaluating the effectiveness of particular activities, modifying tactics to improve their effectiveness and developing new approaches to education, promotion, and training. Through its consultation with Gillis Associates, CenturyLink is exploring additional modifications and initiatives to build on the success of the program and bring the benefits of broadband to more consumers.

I. Outreach to Local Community Organizations

Commitment: CenturyLink will coordinate with at least 200 local community groups, such as Boys & Girls Clubs and senior centers, as well as schools, libraries, and other state and local institutions, especially those that support qualifying customers, tribal partners, and non-profit institutions, to develop and distribute educational materials that describe the uses and benefits of broadband capability.

Tactics: Although CenturyLink has exceeded this commitment during the first five years of

¹ As of September 30, 2016, 59,419 Internet Basics subscribers had discontinued their discounted broadband service, resulting in 38,272 total Internet Basics subscribers.

the program, Internet Basics continues to be integrated into CenturyLink's local operating model through its regional operations teams. The local operations teams offer educational and promotional programs on Internet Basics at community levels in both rural and urban markets. As part of that comprehensive process, CenturyLink uses a variety of approaches with local and community-based external partner organizations to promote the Internet Basics Program to a wide variety of diverse demographic groups. This includes employee participation in panel discussions, meetings with local elected officials, conferences on education and economic development and community events. CenturyLink manages an online internal portal that provides its employees access to Internet Basics educational materials, marketing collateral, a Q&A document and other information that enables employees to share program details with those who may qualify for the services within their communities. In total, CenturyLink has worked with more than 1,100 individual organizations, providing speakers and informational materials explaining the value of broadband capability and the availability of discounted broadband service and computer equipment through CenturyLink.

CenturyLink has continued to improve its informational and promotion-based "toolbox" to increase and target outreach efforts to low-income schools and other community organizations within the CenturyLink service footprint.² The toolbox includes flyers, posters, banners and letters for school and program administrators to use within the school systems or community organizations. This material has been revised annually to reflect the many ways in which use of the Internet and computer can empower people economically, socially, educationally, culturally and physically. The goal is to bring education and awareness that the Internet is no longer a luxury, but rather a necessity in every household to consumers through the use of many local voices within their communities, schools, and social service organizations.

Evaluation of Effectiveness/Lessons Learned: As discussed in the Gillis Associates report, the CIB program has continued to produce beneficial impacts through local community-based partnership initiatives.³ As previously noted, because public libraries have become the one-stop partner for computer and Internet training, CenturyLink refers consumers seeking more information on training to local libraries. However, the company is aware that a large segment of consumers within its service areas are not digitally-ready for Internet or online use. This is especially the case among many older consumers. Many who have access to the Internet lack the confidence needed in utilizing the computer or in finding information online. In an effort to address this issue, CenturyLink created an Internet Basics video and collateral that depicts the many uses of the computer and Internet and includes images of older Americans using the technology. The video is shared with external audiences on YouTube at www.youtube.com/watch?v=XjXhr05RID0 and on the CenturyLink Intranet page for internal employees as well as with those employees who work with local media and community-based organizations to assist in communicating the benefits of a broadband connection.

² See Exhibit 1.

³ Gillis Associates Report at 2 (Attachment B).

CenturyLink's work with more than 1,100 local community organizations during the Internet Basics Program has enabled wide dissemination of educational materials describing the uses and benefits of broadband capability. Gillis Associates cites to examples of these outreach programs which include the distribution of backpacks across the country from the Boys and Girls club in Tucson Arizona to community-based organizations in Tallahassee Florida. Examples of these outreach programs include:

- In 2014 CenturyLink began a partnership with Upstart, a Utah state-funded, in-home preschool program, as means to provide high speed Internet access for students. This partnership resulted in an additional 225 new CIB orders in 2015. 140 new orders have been processed since January 2016 to September 2016.
- In 2015 CenturyLink collaborated with the Park City School District to provide Internet Basics through a grant awarded to the district. The program is distributed to qualifying families by the school district.
- In 2015, President Obama announced a partnership with HUD to create ConnectHome, an initiative to help address challenges with broadband adoption through public housing communities. Several Internet service providers including CenturyLink are integrated in the partnership, which has the objective to partner with local housing authorities to help those qualifying individuals get to the Internet. As part of this program in 2016 CenturyLink created a computer center at the Lake Washington Apartment complex in Seattle, Washington. The computer center has been open and running for more than six months. The company additionally installed wifi routers in the apartment's common space for additional residential access. CenturyLink hopes to continue its relationship with the Seattle Housing Authority (SHA), with the prospect of providing Internet connectivity to future SHA buildings.
- In December 2015 CenturyLink provided a special Internet Basics training and informational session at the Eritrean Community Center in south Seattle. The training, held in the Tigrinya language dialect, offered information explaining what a computer is, along with why computers and an internet connection are important. The training was followed by a question and answer session. Two additional training sessions have been conducted in two different languages in CenturyLink's Washington service territory.⁴

CenturyLink has found that working with local communities in sponsorship activities (sponsoring summer reading programs at libraries, hosting a senior Internet training and computer give-away, providing give-aways at back-to-school events, partnering with local businesses, etc.) helped to provide the type of goodwill and program awareness that is most effective.

⁴ See Exhibit 2.

II. Promotional Plan

Commitment: CenturyLink will develop a meaningful promotional plan targeted to publicizing the availability of discounted broadband services and equipment to qualifying customers. CenturyLink will use at least 500 different media outlets (which may include radio and television stations, newspapers and magazines, on-line bulletin boards and web sites, libraries and social service agencies). CenturyLink will spend at least \$1 million per year promoting the Adoption Program throughout the combined territory in each of the first six years following the Merger Closing Date.⁵

Tactics: CenturyLink has exceeded this commitment promoting the Internet Basics Program through advertisements, press releases, flyer distributions, website updates, direct mailings, and telemarketing campaigns, as well as through the contacts with local community organizations discussed in the previous section of this report.

- **Ads, Press Releases and Flyers** - During the 2015-2016 program year, CenturyLink placed 2,132 ads in 1,291 different papers in 37 states. The advertisements described both the Internet Basics Program and Lifeline discounts available for voice services. These advertisements continued throughout the program year in all states where CenturyLink provides local service. CenturyLink also distributed more than 103,000 flyers.
- **Website Updates** - A webpage dedicated to the CenturyLink Internet Basics offering, <http://www.centurylink.com/home/internetbasics/?rid=internetbasics>, was created and has been continuously available on the company's website since October 2011. The link has been provided on flyers, direct mailers, door hangers, in classroom materials, and in press releases and media advertisements.

In 2016, CenturyLink reviewed the applications for Internet Basics service that are available on the website. The applications were modified to reflect the revised Federal poverty levels for customers who qualify on the basis of income and other needed updates. Beyond that, CenturyLink maintained the format of the applications that had been introduced in 2013. This format has just two versions, replacing individual applications for each state. Both versions of the application are available in Spanish, making a Spanish language application available in all states that CenturyLink serves.⁶

⁵ The original commitment was for five years. The commitment was extended for one year in the Consent Decree adopted by the Commission's Order of May 22, 2013, in DA 13-1070 (28 FCC Rcd 6918).

⁶ See Exhibits 3 and 4 for the applications for residents of the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming. See Exhibits 5 and 6 for the applications for residents of the states of Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kansas, Louisiana, Michigan, Mississippi, Missouri, Nevada, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Wisconsin.

- Direct Mail – In 2015 - 2016 CenturyLink continued its direct mail campaign utilizing postcards and self mailers to reach the various demographic groups to whom the program is targeted. The campaign was directed to well over 2 million existing and potential CenturyLink customers. CenturyLink continues to utilize bilingual versions of the Internet Basics postcard that began mailing in Oct 2013 to existing self-identified CenturyLink Spanish language customers.

Between October 1, 2015 and September 30, 2016, CenturyLink spent nearly \$2 million promoting the Adoption Program.

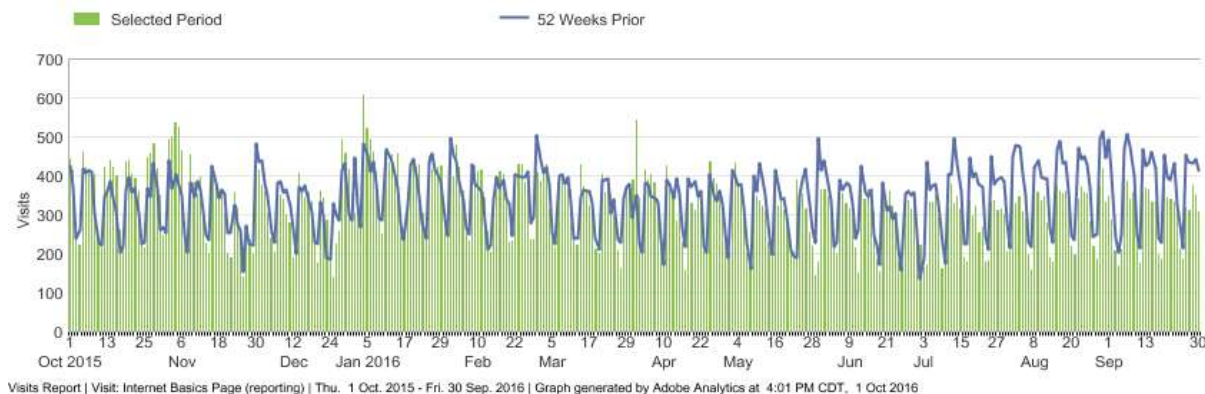
Evaluation of Effectiveness/Lessons Learned

As noted above, CenturyLink has engaged in a variety of promotional activities. This multi-pronged approach is intended to ensure both a wide dissemination of information about the program through newspapers, the company's website and other media outlets, along with more targeted distribution of information to qualifying customers.

- Ads, Press Releases and Flyers - With over 2,000 ads placed in newspapers and the distribution of over 103,000 flyers to local media outlets and through community-based organizations during the 2015 – 2016 year, CenturyLink continues to promote the program to a broad and diverse audience of potential adopters.

In addition to the “general” campaign for the CIB program, CenturyLink has several “sub-campaigns” to accommodate the various demographic groups to whom the program is targeted. Those groups include seniors, Latinos/Hispanics, Asians, African-Americans, Native Americans and Caucasians.

- Website Updates - CenturyLink continues to make modifications as needed to improve its web-based outreach. After the Internet Basics website page was launched in October 2011, changes were made in late 2011 and in February 2012, to make it easier for qualifying customers to find information on the Internet Basics Program from CenturyLink's home page or from the residential High Speed Internet product page. The CIB applications and collateral are reviewed annually. Updates are made as necessary to keep the information current. Through September 2016, CenturyLink continues to see consistent interest in the website as measured by the number of hits on the webpage.



Direct Mail – As noted in the Gillis Associates report, even with the extensive resource commitment and strategic attention to the program by the Company, the overall impact in terms of number of people impacted is modest when compared to the local marketing outreach efforts made through non-profits and local community agencies. The success of the backpack program pointed out this direct contact method is more successful in achieving sign-ups.

Training – After meeting its Customer Training commitments, the Company chose to continue targeted training efforts as another tactic for promoting the program.

III. Customer Training

Commitment: CenturyLink will make available in-person training demonstrations at local anchor institutions, and develop and distribute materials such as DVDs with each computer, to assist consumers in basic computer skills, Internet browsing, and acquiring and using broadband services. CenturyLink will spend \$1 million on training over the first two years following the Merger Closing Date, and will conduct 100 in-person training sessions and be responsive to requests for training at locations across the combined territory in the first two-year period. Nearly 300 individuals received training at 19 sessions through-out the 2015-2016 reporting period.

Tactics: During the first two years of the program, CenturyLink held 123 training sessions in 36 states. The company used a variety of training approaches to accommodate the needs and training resources available in any given market. In some cases, sessions were led by CenturyLink employees; others were led by external partner organizations. Some sessions were advertised to the general public; others were presented to particular organizations.

To determine the effectiveness and relevancy of the training, attendees were asked to complete an optional brief survey. The survey included questions relating to experience with the Internet, demographics, and the attendee's opinion of the training.

During the first two years of the program (October 2011 through September 2013), CenturyLink spent \$1,017,924 on customer training.

Evaluation of Effectiveness/Lessons Learned: CenturyLink met and exceeded its two-year commitment to spend \$1 million in training and conduct 100 in-person training sessions. CenturyLink's customer training sessions were well attended. Feedback from attendees suggested that the training helped them to recognize the value of the Internet, feel more comfortable using a computer and become aware of the discounted broadband service and computer equipment available through CenturyLink. Even though the company met its commitment to provide training during the first two years of the program, CenturyLink still supports the effort by referring interested consumers to local libraries that provide free public access or by arranging to participate in local training sessions with community organizations.

As noted in the Gillis Associates report⁷, in April 2016, the Federal Communications Commission issued the *Lifeline Modernization Order*⁸ which mandates the expansion of Lifeline traditional offerings of both telephone and mobile voice services to include broadband services. Qualifying households will now be eligible for discounted broadband services through the Lifeline broadband model. This new offering disrupts the CenturyLink Internet Basics model in that it provides the same eligible customers discounted rates with higher connection speeds, thus making the CIB model with lower speeds obsolete.

⁷ Gillis Associates Report at 4 (Attachment B).

⁸ *Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*, WC Docket Nos. 11-42, 09-197 and 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962 (2016), Erratum (rel. May 6, 2016), Erratum, 31 FCC Rcd 7048 (rel. June 22, 2016), Second Erratum, 31 FCC Rcd 7075 (rel. June 22, 2016), *petitions for reconsideration and clarification pending* (filed with FCC June 23, 2016), and *appeals pending sub nom. National Association of Regulatory Utility Commissioners, et al. v. FCC*, Nos. 16-1170 and 16-1219 (D.C. Cir., filed June 3, 2016 and June 30, 2016).